United Nations A/C.5/66/SR.9

General Assembly
Sixty-sixth session
Official Records

Distr.: General
26 January 2012

Original: English

Fifth Committee

Summary record of the 9th meeting
Held at Headquarters, New York, on Monday, 17 October 2011, at 10 a.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
later: Mr. Ballantyne (Vice-Chair) ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

Contents

Agenda item 139: Human resources management

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

11-54105 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 139: Human resources management (A/66/98, A/66/135, A/66/319 and Corr.1, A/66/347, A/66/355 and Add.1 and A/66/511 and Corr.1)

1. **Ms. de Miranda** (Chief, Human Resources Policy Service) introduced the reports of the Secretary-General on personal conflict of interest (A/66/98), disciplinary matters and possible criminal behaviour (A/66/135) and the composition of the Secretariat (A/66/347).

2. The report on personal conflict of interest (A/66/98), submitted pursuant to General Assembly resolution 65/247, provided comprehensive information on the main types of conflict of interest faced by the Organization's staff and described the regulatory framework put in place to address, inter alia, general and financial conflicts of interests; conflicts resulting from the receipt of gifts, honours, awards, favours and remuneration; conflicts arising from outside occupation or employment and outside activities; and conflicts stemming from personal relationships. The report also set out the possible legal implications of conflicts of interest, including initiation of disciplinary proceedings where a conflict of interest was not disclosed through appropriate channels, and post-employment restrictions for staff serving in particularly sensitive functions, such as procurement. Lastly, it described the Administration's approach to the management and mitigation of conflicts of interest, which included a robust regulatory framework, identification or review of actual or potential conflicts of interest, and exploration of the most suitable means of mitigation. Where a staff member did not accept the recommended or instructed means of mitigation, further administrative or disciplinary measures could be invoked, as a last resort.

3. Bearing in mind that the Organization frequently received requests for advice or other information concerning real or potential conflicts of interest, the Secretary-General continuously reviewed whether the established mechanisms served the Organization's current and evolving needs, and remained committed to ensuring that United Nations staff members acted impartially and in accordance with their status as international civil servants at all times. In that connection, the Committee might recall that the General Assembly, in paragraph 75 of its resolution 65/247, had decided to defer until its sixty-sixth session consideration of the Secretary-General's proposal to amend regulation 1.2 (m) of the Staff Regulations, governing conflicts of interest, contained in his report on amendments to the Staff Regulations (A/65/213).

4. The report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour during the period from 1 July 2010 to 30 June 2011 (A/66/135) provided an overview of the legislative framework and the current procedures for handling disciplinary matters; summaries of the nature of the established misconduct and/or criminal behaviour, the disciplinary measure imposed in each case, and an indication of whether the measure had been challenged by the staff member before the United Nations Dispute Tribunal; and information on action taken by the Secretary-General in cases involving credible allegations of criminal conduct by United Nations officials or experts on mission.

5. Lastly, the report of the Secretary-General on the composition of the Secretariat: staff demographics (A/66/347) presented a demographic analysis of the composition of the Secretariat from 1 July 2010 to 30 June 2011. During the reporting period, the Office of Human Resources Management had launched the first release of an online reporting tool called HR Insight, which allowed permanent missions to download reports on staff demographic information, including desirable ranges. The tool was based on the human resources data warehouse and retrieved information from other human resources systems, including the Integrated Management Information System (IMIS) and Nucleus.

6. **Ms. Dubinsky** (Director, Ethics Office), introducing the report of the Secretary-General on the activities of the Ethics Office (A/66/319 and Corr.1), said that, during the reporting period, the Ethics Office had recorded a 78 per cent increase in requests for its services, including advice regarding potential conflicts of interest, protection against retaliation, procurement-related advice, policy review and outreach and training. The increased level of consultation, which served to reduce the risk of inappropriate behaviour that could damage the Organization's reputation, was attributable to a renewed focus on staff outreach, including numerous field mission visits and presentations to various United Nations offices.

7. During the reporting period, the Ethics Office had made progress in its implementation of the Organization's policy of protection against retaliation. Interim protection had been provided for two staff members pending the completion of independent retaliation investigations. Subsequent to those investigations, the Ethics Office had determined that retaliation had occurred in one of the cases and had issued recommendations pertaining to corrective and disciplinary measures. An alternative investigation panel had also been established for the first time to investigate two prima facie retaliation determinations where, owing to an inherent conflict of interest, the Office of Internal Oversight Services could not have conducted the investigations. Such developments demonstrated that the Organization's policy of protection against retaliation remained robust, effective and adequately resourced.

8. The report contained a proposal for structural improvements to the Secretariat financial disclosure programme, which was administered by the Ethics Office. It should be recalled that, pursuant to General Assembly resolution 62/236, an in-depth analysis had been carried out regarding the relative advantages or disadvantages, including costs, of conducting the review services required under the programme in-house, as compared to outsourcing arrangements. In the context of that analysis, the Secretary-General had convened an internal high-level advisory group to provide guidance on alternative future arrangements for the programme. Based on the advisory group's assessment, the Secretary-General had recommended that the existing external review arrangement should be maintained, since it was considered effective in managing conflicts of interest while protecting the confidentiality of disclosed information. He had also recommended the creation of a new platform for the programme, which would allow modern technologies to be leveraged in order to ensure long-term system viability and robust data security protection. The new platform would require total funding of $597,400, of which one third, or $199,100, would be met from funds received in reimbursement for services provided to various funds and programmes. In order to implement the recommendation, the General Assembly was accordingly requested to appropriate the remaining amount of $398,300 under the proposed programme budget for the biennium 2012-2013 as additional requirements over and above the resources already requested.

9. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/511 and Corr.1), said that, with regard to the composition of the Secretariat, the Advisory Committee reiterated its recommendation that the Secretary-General should supplement the data presented with an analysis of demographic trends and the underlying reasons for them. The Advisory Committee also reiterated that greater efforts should be made to improve the representation of women, in particular at the senior levels. Noting the significant shift in the data for staff subject to desirable ranges in 2011 compared to 2010, the Advisory Committee requested the Secretary-General, in his next report on human resources management, to be considered at the sixty-seventh session of the General Assembly, to provide further details on the magnitude of the impact of the implementation of General Assembly resolution 65/247 on the representation status of Member States, as well as comprehensive information on measures taken to address the high number of posts subject to geographical distribution encumbered by staff having no geographical status.

10. The Advisory Committee welcomed the introduction of the online reporting tool, HR Insight, which should improve access by permanent missions to information on staff representation in the Secretariat. However, the Secretary-General should ensure that the integrity of the sensitive data contained in the tool was protected.

11. With regard to the report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour (A/66/135), the Advisory Committee noted that divergent disciplinary measures had been imposed in respect of apparently similar instances of misconduct. While it had been informed that such factors as the existence of a history of previous misconduct, or the level of delegated authority and managerial responsibility exercised, might affect the severity of disciplinary measures imposed, the Advisory Committee expected such measures to be applied consistently and proportionately.

12. Concerning personal conflict of interest, the Advisory Committee reiterated its previous recommendation in support of the proposed amendment to regulation 1.2 (m) of the Staff Regulations. It also underlined the importance for all

staff members to act in a manner compatible with their status as international civil servants and the importance of financial disclosure in mitigating conflicts of interest. With regard to the activities of the Ethics Office, the Advisory Committee was of the view that quantitative measures of the work accomplished were not sufficient to demonstrate fully whether the objectives of promoting high standards of integrity and a culture of ethics were being achieved. Appropriate evaluation criteria should be developed for that purpose.

13. As for the financial disclosure programme, the Advisory Committee considered that the cost per file submitted for external review was high and encouraged the Secretary-General to explore all available means of reducing that cost. It concurred with the Secretary-General regarding the need to review the filing eligibility criteria in order to control future increases in the cost of the programme. It also supported the Secretary-General's proposal to maintain the outsourcing arrangements for the review function and to develop a new information technology platform, although it recommended that the additional funding requested for that platform should be absorbed.

14. **Mr. Zahran** (Chair, Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on inter-agency staff mobility and work/life balance in the organizations of the United Nations system (A/66/355), said that the report aimed to assess the policies and mechanisms regulating staff mobility and work/life balance from a system-wide perspective, providing participating organizations and their respective governing organs with an independent, external assessment of relevant issues. The report contained ten recommendations, one addressed to the legislative bodies of the organizations of the United Nations common system, two to the executive heads of those organizations, and seven to the United Nations System Chief Executives Board for Coordination (CEB).

15. While it was generally accepted that a structured mobility scheme might enhance the capabilities of staff, by providing them with broader experience, mobility should not be an end in itself. Staff mobility was key to achieving organizational goals, including the goal of "delivering as one". However, since the United Nations system was formed of very diverse organizations, JIU had concluded that there was no "one mobility scheme fits all organizations". It was pleased that the Secretary-General and CEB concurred with its conclusion.

16. Only a proper matching of organizational and staff needs could guarantee a solid base for the successful development and implementation of staff mobility and work/life balance initiatives. Inter-agency mobility, which was currently insignificant in terms of the number of staff who had moved between organizations, should be promoted, focusing on commonalities and values shared by all United Nations system organizations. The financial implications of mobility should also be taken fully into account when launching new initiatives. In addition to easily recognizable direct costs associated with staff mobility, such as travel or household removal, there were other, hidden, costs, such as time needed to learn new duties and settle in a new location, or time required to comply with administrative procedures related to relocation, that were difficult to quantify but certainly not negligible.

17. Inter-agency staff mobility currently happened spontaneously and was driven by individual staff members; new inter-agency mobility initiatives should therefore be built. In that connection, the report included proposals and ideas gathered during interviews undertaken by the Inspectors in their field missions, which could serve as input for the relevant discussions undertaken by organizations in the context of CEB.

18. Although the Inter-Agency Mobility Accord, which had been intended to replace the former Inter-organization Agreement concerning transfer, secondment or loan of staff among the organizations applying the United Nations common system of salaries and allowances, had been issued by CEB in 2005, some organizations had not yet accepted it and continued to use the former Agreement. That issue should be urgently resolved, since the lack of consensus among system organizations did not facilitate system-wide mobility.

19. The JIU Inspectors supported the organizations' efforts towards further harmonization of business practices, which was essential to facilitate inter-agency mobility. They also encouraged advancement towards a common set of staff regulations and rules for the whole United Nations common system, with enhanced mobility as an important component.

20. Medical services should participate more actively in the development and implementation of relevant human resources management policies regarding staff mobility. They also had a major role to play in supporting work/life balance programmes. In that connection, the JIU Inspectors shared the growing concern expressed by the United Nations Medical Directors Working Group regarding the current capacity of the United Nations system to protect, manage and monitor the health of its staff, which was of particular relevance to staff deployed at hardship duty stations, and in the context of the Organization's strategic movement towards mobility and an increased field presence.

21. With regard to recommendation 9 in the JIU report, the difficulty for accompanying expatriate spouses to continue their professional careers was one of the most important hurdles that United Nations organizations needed to overcome in order to recruit and retain highly qualified staff, as well as to promote staff mobility. The agencies agreed with JIU that dual-career support was a key consideration in that regard, of which facilitating local work permits was only one component; they called, in addition, for encouragement, support and central monitoring in order to strengthen local networking among international organizations and spouses. Previous JIU reports had highlighted the need to find a solution to that crucial concern. JIU called on organizations to continue their coordinated efforts, as well as to introduce the matter in the negotiation of any new host country agreement and in future renegotiations of current ones.

22. **Mr. Samatar** (United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General (A/66/355/Add.1) transmitting his comments and those of CEB on the JIU report on inter-agency staff mobility and work/life balance in the organizations of the United Nations system, said that the JIU report was a good example of the cooperation that existed between that Unit and CEB, which was committed to ensuring good information flows between each of its member organizations and JIU. CEB members welcomed the comprehensive JIU report, which also underscored many of the issues under review within the human resources inter-agency bodies, including the International Civil Service Commission and the Human Resources Network of CEB. Agencies had welcomed the recognition in the JIU report that a "one-size-fits-all" approach to mobility would not suit an entity as diverse as the United Nations system.

23. While agencies had agreed that dual-career support was an important element in their ability to attract qualified staff members, they had suggested that the report could have gone further by recommending the strengthening of local networking among international organizations. They had also made a number of comments regarding the medical services of United Nations organizations.

24. CEB members had generally welcomed the report and largely accepted most of its recommendations. However, they had expressed reservations regarding the feasibility of implementing some recommendations, particularly recommendations 3 and 5.

25. **Mr. Di Luca** (Argentina), speaking on behalf of the Group of 77 and China, said that the effective delivery of United Nations mandates hinged on the quality of its staff and the availability of resources. The Group supported all reform measures aimed at establishing a highly motivated, vibrant and dynamic workforce for the Organization.

26. The Group stressed the need for a comprehensive review of the system of desirable ranges, as requested by the General Assembly in its resolution 63/250. Two thousand and forty-nine posts, representing less than 5 per cent of the 43,747 Secretariat staff, were currently under that system. The Group reiterated its request to the Secretary-General to intensify his efforts to achieve equitable geographical distribution and gender balance, particularly at the senior management level. Vacancies occurring as a result of retirements should be used to improve the international character of the Organization.

27. The Group appreciated the inclusion of new data on the distribution of staff members at the D-1 level and above in the report of the Secretary-General on the composition of the Secretariat (A/66/347). That information could become a critical factor for improving the currently inadequate representation of developing and emerging countries at the senior management level. The launch of the HR Insight tool was also a welcome development.

28. The Group noted with interest the recommendations and proposals contained in the JIU report on inter-agency staff mobility and work/life balance across the United Nations system and looked

forward to an in-depth discussion of the recommendations, including those related to inter-agency mobility mechanisms and the matching of organizational needs with staff needs.

29. The increase in the volume of service requests received by the United Nations Ethics Office during the most recent reporting period and the number of cases reviewed were not sufficient indicators to determine fully whether the objectives of promoting high standards of integrity and a culture of ethics were being achieved. The Secretary-General should therefore devise appropriate evaluation criteria for that purpose. The Group welcomed the efforts made by the Ethics Office to promote a culture of ethics across the Secretariat, particularly at the senior management level, and stressed the importance for all staff members to act in a manner compatible with their status as international civil servants.

30. The Group noted the Secretary-General's recommendations to maintain the existing arrangements for the review function of the financial disclosure programme and to develop a new information technology platform. It expected that, through the efforts undertaken to create awareness of the financial disclosure programme among the staff and the procedures established to support compliance, those developments would translate into full compliance with the filing obligations.

31. **Mr. Coffi** (Côte d'Ivoire), speaking on behalf of the Group of African States, said that the Group supported all human resources reform measures aimed at establishing a dynamic workforce for the Organization: equitable geographic representation and gender balance were critical in that regard. Accordingly, he called on the Secretary-General to ensure that women, especially from developing countries and countries with economies in transition, were appropriately represented within the Secretariat. The Group also requested the Secretary-General to make every effort to achieve equitable geographical distribution within the United Nations. It was regrettable that less than 5 per cent of the total Secretariat staff were currently subject to the system of desirable ranges.

32. The Group welcomed the recent release of the HR Insight online reporting tool. It was to be hoped that the information provided through that website would be updated on a monthly basis.

33. **Mr. Cabactulan** (Philippines), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN welcomed the Ethics Office's commitment to administering the financial disclosure programme and promoting a culture of ethics among senior management, a practice the Advisory Committee had recommended should be made mandatory.

34. Recalling that 123 cases of misconduct were listed in the report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour for the period from 1 July 2010 to 30 June 2011 (A/66/135), he urged the Secretary-General to take expeditious disciplinary action in response to proven criminal behaviour while also ensuring that all such measures were imposed in a consistent manner and in proportion to the seriousness of the misconduct, as recommended by the Advisory Committee.

35. While containing useful data, the report of the Secretary-General on the composition of the Secretariat (A/66/347) lacked substantive analysis of the information. He urged the Secretariat to provide explanations of the data for the benefit of Member States. The online reporting tool provided by HR Insight would be very useful.

36. Member States should continue to be active participants in the human resources management reform process, as their contributions had helped to improve conditions at the United Nations and would help to make the Organization a more efficient, democratic, effective and representative body. Streamlining and harmonizing the varying contracts and conditions of service offered to staff members, particularly in field missions, should be a particular priority. That would go a long way towards raising staff morale and ensuring the retention of more experienced staff members.

37. Further efforts were needed to recruit nationals of unrepresented and underrepresented developing countries, and to recruit women, especially to senior posts. Staffing should be based strictly on equitable geographical distribution and gender balance, without sacrificing competence.

38. The delivery of the complex mandates now expected of the Organization in all fields hinged on the quality of the staff, its greatest asset. Human resources reform was a matter of urgency, in the interest of a competent and dynamic workforce.

39. **Mr. Ong** (Singapore) said that the United Nations, a unique platform for global engagement, provided critical services that were essential to international peace, security, stability and prosperity. Human resources management must be efficient and responsive in developing a flexible Organization that promoted the goals set by Member States.

40. In that regard, his delegation welcomed the HR Insight tool, which would support accountability and transparency in human resources management and provide permanent missions with information on staff distribution. The Ethics Office was central to human resources reform, given its role in administering financial disclosure; its outreach activities and development of a briefing package on ethics for senior management were particularly welcome. His delegation supported the Advisory Committee's recommendation to extend the ethics briefing to incoming senior managers at the D-1 and D-2 levels.

41. The fact that 40 per cent of posts subject to the system of geographical ranges were not filled by staff having geographical status was evidence that the diversity of Member States was not reflected in the Secretariat. Efforts to hire well-qualified individuals from across the globe should be increased, including through established procedures, such as the young professionals programme. The promotion of diversity and gender balance within the United Nations could also serve as a positive model for national civil services.

42. **Mr. Diallo** (Senegal) said that his delegation welcomed the Secretary-General's initiatives to improve human resources management, in particular, the establishment of the young professionals programme, the expansion of the financial disclosure programme to include senior-level staff and management and the new talent management system, Inspira, which aimed to ensure equal opportunities among candidates at all levels system-wide and to make the recruitment process more efficient. However, there was still a need for initiatives in support of an effective professional training and leadership programme. His delegation was confident that in his report on human resources management, to be considered by the Assembly at its sixty-seventh session, the Secretary-General would provide proposals addressing those concerns.

43. With regard to gender parity, his delegation encouraged the Secretary-General to be proactive in implementing his policy of supporting the advancement of women, particularly women from developing countries, to the highest leadership positions within the Secretariat. His delegation was disappointed to note the near absence of African women from the list of Under-Secretaries-General and Assistant Secretaries-General provided in the report of the Secretary-General on the composition of the Secretariat (A/66/347) and called for greater balance in that regard.

44. In terms of equitable geographical distribution, the increase in the number of unrepresented and underrepresented countries was a matter of concern, as was the fact that the level of representation of many States, including Senegal, would decrease significantly with the upcoming retirement of more than 40 per cent of their nationals with geographical status from high-level posts. Information on the measures planned by the Secretary-General to ensure that citizens from developing countries were represented among senior-level staff would be welcome. His delegation also requested the Secretary-General to formulate a global strategy to prepare for the replacement of the large number of Secretariat staff retiring from the language services and thus ensure the linguistic diversity of the Organization, as recruitment in that area could be difficult.

45. **Mr. Kanamori** (Japan) said that his delegation shared the Advisory Committee's concern that 40 per cent of posts subject to the system of geographical ranges were not encumbered by staff having geographical status. The fact that 403 of those posts were temporarily filled by non-geographical staff was particularly problematic. Temporary vacancy announcements were not an appropriate means of recruiting and placing staff. That process should be governed by the procedures established in the administrative instruction on the staff selection system (ST/AI/2010/3). His delegation strongly hoped that the General Assembly would endorse the Advisory Committee's recommendation that the Secretary-General should provide comprehensive information on measures taken to address the high number of geographical posts occupied by staff having no geographical status, for consideration at the sixty-seventh session.

46. The report of the Secretary-General on the composition of the Secretariat (A/66/347) revealed disappointing implementation of paragraph 36 of General Assembly resolution 65/247, with only five

candidates from the national competitive recruitment examination roster placed in P-3 posts between 1 July 2010 and 30 June 2011. His delegation urged the Secretary-General to exercise strong leadership in promoting cooperation between the Office of Human Resources Management and the executive offices of all departments to expedite the placement of remaining candidates in P-2 and P-3 positions. Lastly, he commended the efforts of the Office to attract potential applicants from unrepresented or underrepresented Member States.

47. *Mr. Ballantyne (Vice-Chair), took the Chair.*

48. **Mr. Benmoussa** (Morocco) said that his delegation placed great importance on the rational management of the Organization's human resources, to optimize delivery of mandates by a motivated staff, and on equitable geographical distribution, and, in that regard, called on the Secretary-General to take the necessary measures to ensure that the composition of the staff reflected the international nature of the United Nations. The advancement of women within the Organization was also a priority, given that women still made up only 33 per cent of the total staff and 40 per cent of Professional staff. Lastly, he stressed the urgent need for the appointment of senior managers from developing countries, as many of the Organization's priority issues concerned those countries. The increase in the number of unrepresented and underrepresented countries during the reporting period further underscored that need for a more balanced United Nations staff.

49. **Mr. Prokhorov** (Russian Federation) said that Member States should assess the Secretary-General's proposals on human rights management in the light of General Assembly resolutions 63/250, 65/247 and 65/248 on management reform. In turn, the Secretary-General should provide an analysis of the impact of those resolutions on the selection and work of United Nations staff.

50. The concerns of the Secretary-General and the Advisory Committee regarding the need to increase the representation of women and ensure wide geographical representation should not overshadow the key priority set out in the Charter of selecting the most qualified candidates. At the same time, his delegation welcomed the new disaggregated data on the geographical distribution of staff, produced using the methodology that had been proposed by his delegation. The updated information, in particular on staff working in non-geographical posts, provided a more accurate picture of the Secretariat staff funded by the regular budget.

51. His delegation shared the concerns of the Advisory Committee regarding the 431 staff members whose geographical status was not defined; in his next report on human resources management, the Secretary-General should inform the General Assembly of the measures taken to address that situation.

52. He welcomed the launch of the online tool that provided delegations access to information on geographical distribution and urged the Secretariat to update the information regularly. His delegation would provide feedback to improve the tool.

53. Maintaining ethical standards was another important issue. He would examine closely the proposals to amend the staff regulations on conflict of interest. It was necessary to consider the legal implications of administrative decisions to ensure not only that the Organization's reputation was protected from the unlawful actions of its staff but also that staff members were protected from abuse of administrative power. The problem of conflicts of interest that arose when staff members moved from the United Nations to the private sector should also be an area of focus.

54. **Mr. Nguyen** Dinh Hai (Viet Nam) said that the report of the Secretary-General on the composition of the Secretariat (A/66/347) made it clear that gender parity had been achieved only among staff at the P-1 and P-2 levels, with women consistently accounting for less than 30 per cent of staff in senior management posts. In that regard, he expressed confidence that the Secretary-General would be successful not only in fulfilling his commitment to achieving gender parity, but also balanced representation of developed and developing countries in the composition of the staff, in line with the principle of equitable geographical distribution.

55. Staff mobility must be applicable to staff both at Headquarters and in field offices in order to expand opportunities for all. His delegation supported the recommendations contained in the Joint Inspection Unit report on inter-agency staff mobility and work/life balance in the organizations of the United Nations system (A/66/355). Specifically, his delegation shared the view that inter-agency mobility could be promoted by focusing on the commonalities and values shared by

all organizations within the system, while at the same time recognizing that no single mobility scheme could be universally applied, given the differences in the mandate, size and operational needs of the various organizations.

The meeting rose at 11.40 a.m.

United Nations A/C.5/66/SR.10

General Assembly
Sixty-sixth session

Official Records

Distr.: General
26 January 2012

Original: English

Fifth Committee

Summary record of the 10th meeting
Held at Headquarters, New York, on Thursday, 20 October 2011, at 10 a.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

Contents

Agenda item 136: Improving the financial situation of the United Nations (*continued*)

Agenda item 134: Proposed programme budget for the biennium 2012-2013 (*continued*)

Administrative expenses of the United Nations Joint Staff Pension Fund and transitional measures concerning the Fund's financial reporting under the International Public Sector Accounting Standards

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

11-55712 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 136: Improving the financial situation of the United Nations (*continued*) (A/66/521)

1. **The Chair**, recalling that the Under-Secretary-General for Management had briefed the Committee on the current financial situation of the Organization at its 7th meeting, held on 11 October 2011, said that her statement had since been issued as a report of the Secretary-General (A/66/521).

2. **Ms. Casar** (Controller) said that Austria and Monaco should be added to the Member States listed in paragraph 25 of the report as having paid their assessed contributions in full.

3. **Mr. Di Luca** (Argentina), speaking on behalf of the Group of 77 and China, said that, while the Group welcomed the decrease in the Organization's debt to Member States, it was concerned by the growth in outstanding peacekeeping assessments. Recognizing that many States, particularly developing States, had been adversely affected by the global financial crisis, the Group emphasized that most of the arrears in payment not just for the peacekeeping budget, but also the regular budget and tribunal budgets, were owed by a small group of developed countries, and by one of them in particular. Moreover, a number of the States with peacekeeping budget arrears were permanent members of the Security Council with special responsibility for maintaining international peace and security.

4. Payment of assessed contributions in full, on time and without conditions was an obligation under the Charter of the United Nations. All Member States in a position to honour their financial commitments should do so promptly. The Group rejected all unilateral coercive measures contrary to international law that obstructed or impeded payments from its members.

5. Although the Group was encouraged by the likely decrease in the Organization's debt to troop- and police-contributing countries, more action was needed to ensure that those countries were reimbursed as a matter of priority, in full and on time. Most of them were developing countries, and were unable to sustain their troop commitments and maintain contingent-owned equipment unaided for extended periods. The sacrifice and commitment of their many nationals working in the field should be acknowledged.

6. **Ms. Pakarati** (Chile), speaking on behalf of the Rio Group, said the Group believed that payment arrears risked harming the Organization's ability to fulfil its mandates and to operate effectively and efficiently. Member States must their meet financial obligations in full and on time, especially when their debt was substantial, as was repeatedly the case for one particular Member State.

7. While the Group welcomed the projected reduction in the Organization's debt to Member States providing troops and equipment to peacekeeping operations, it nonetheless urged the Secretary-General to ensure that those States were reimbursed in full and on time. In that connection, she noted that several Group members were making considerable sacrifices in order to sustain their troop commitments and maintain contingent-owned equipment. Recalling that several closed peacekeeping missions were in deficit, she reiterated the Group's request that all countries should settle their arrears soon as possible.

8. The Group noted with concern that, although more payments had been received, unpaid assessments for the international tribunals had increased. In order to ensure the timely execution of the capital master plan, the Group encouraged all Member States to pay their assessed contributions to the capital master plan in full and on time.

9. Lastly, it rejected all unilateral coercive measures contrary to international law and liable to obstruct or impede payments from its members.

10. **Ms. Marchuk** (Canada), speaking also on behalf of Australia and New Zealand, said that the three delegations noted with pleasure that the United Nations was expected to remain in a positive cash position at the end of 2011. However, they were concerned that the amount of unpaid assessments had increased across all categories. The level of unpaid peacekeeping assessments, which stood at $3 billion, was unacceptably high. Moreover, decreased liquidity in peacekeeping missions had led to an increase in the imprudent practice of cross-borrowing.

11. The three delegations urged all Member States to pay their assessed contributions in full, on time and without conditions. They also encouraged eligible Member States to consider multi-year payment plans in order to settle their budget arrears.

12. Improving the financial situation of the United Nations was not exclusively a matter of providing the Organization with the resources it required. Member States were also obliged to ensure that those resources were managed effectively. The three delegations therefore welcomed the Secretary-General's efforts to increase financial discipline within the Organization and to enhance oversight and accountability. They further welcomed all initiatives aimed at increasing the efficiency of the United Nations and making better use of available resources.

13. **Mr. Rosales Díaz** (Nicaragua) said that the challenges to peace and development could be met only by strengthening multilateralism and providing the United Nations with the necessary financial resources. Paradoxically, some Member States accumulated substantial arrears in payments to the regular budget, yet still made generous voluntary contributions carrying conditions that sometimes skewed legislative mandates. Furthermore, the trillions of dollars spent on rescuing an unjust economic system that caused millions of deaths each year dwarfed the assessed contribution of any of the Member States.

14. The Charter clearly obliged all Member States to pay their assessments in full, on time and without conditions so that the Organization could discharge its mandates. It was therefore a matter of concern that 88 per cent of the regular budget arrears was owed by the Organization's main contributor and hence its principal debtor. Even more disturbing was the high level of arrears to the peacekeeping budget and its concentration with Member States whose position as permanent members of the Security Council gave them special responsibility for the maintenance of international peace.

15. No State that had failed to meet its financial obligations to the United Nations, or made it difficult for others to do so, was in a position to point to management shortcomings as the cause of inefficiencies within the Organization. It was time to lift once and for all the unjust and irrational embargo that prevented Cuba from paying its assessed contributions by placing innumerable hurdles in its way. It was time to turn the page on a chapter of history that persisted as a sad relic of an apparently unending cold war.

16. The situation of the regular budget would be much improved if a separate account were established for special political missions, the cost of which since 2000 had increased from $100 million to an estimated $1.2 billion. Without troop-contributing countries, the vast majority of them developing countries, there would be no peacekeeping operations. They should receive reimbursement for their services as a matter of priority.

17. The United Nations could not be strong and effective when its finances were precarious. Nicaragua, a small but dignified nation that faced many challenges, had nevertheless paid in full its assessments to the regular budget, the international tribunals and the capital master plan and would continue to meet its obligations despite the burden on its national budget and the need to eradicate poverty in the country.

18. **Mr. Bayat Mokhtari** (Islamic Republic of Iran) said that, early in 2011, a New York bank had taken the unprecedented and illegal decision to close the accounts of the missions of several Member States, including that of the Islamic Republic of Iran. As a result of that action, which was contrary to the host country's legally binding commitments, his Government had experienced severe difficulties in maintaining day-to-day operations at its Permanent Mission and had been unable to honour its financial commitments to the United Nations.

19. After several months of trying to extricate itself from a predicament that had not been of its making, it had succeeded in opening an account at another bank. Unfortunately, owing to complications arising from the transfer of the Permanent Mission's account to the new bank, the Government had not yet been able to transfer any funds, including those it intended to use to pay its assessed contribution, to the United States of America.

20. Recalling that it had always fulfilled its financial obligations to international organizations, he said that the Government was striving to remove the remaining obstacles that prevented it from transferring the funds required to operate its Permanent Mission and pay its assessed contribution.

21. **Mr. Diallo** (Senegal) said that his delegation welcomed marked improvement the Secretariat had made in recent years in its management of the Organization's financial and human resources. The Secretariat should be managed on the basis of the highest standards of efficiency, transparency and cost-

effectiveness, as well as in accordance with the provisions of General Assembly resolution 64/259.

22. **Recalling that the Organization's debt to Member States providing troops and equipment to peacekeeping operations was projected to be $448 million at the end** of 2011, he said that those countries should be reimbursed without delay. Doing so would enable those States, most of which were developing countries, to maintain equipment and continue supporting the Organization's peacekeeping and peacebuilding efforts.

23. His delegation called on all Member States to pay their assessed contributions to the international tribunals in order to enable them to complete their remaining work no later than 31 December 2014, in accordance with Security Council resolution 1966 (2010).

24. **Mr. Yamamoto** (Japan), recalling that each Member State was responsible for paying its assessed contributions in full and on time, said that Japan had faithfully fulfilled that obligation. The overall improvement in the cash position of the Organization could be attributed to the similar efforts of other Member States. His delegation called on the Secretariat to utilize Member States' contributions efficiently and effectively when implementing legislative mandates.

25. **Mr. Bamba** (Côte d'Ivoire) said that, although the overall financial situation of the United Nations had improved in 2011, the same could not be said of peacekeeping operations. According to the Secretary-General's report, cross-borrowing from the accounts of peacekeeping operations has been required for six active missions, for a total of $130 million, leaving only $53 million available for possible cross-borrowing. In view of the small amount available for possible cross-borrowing and the unpredictable nature of the demand for peacekeeping activities, it must be acknowledged that the Organization's ability to finance peacekeeping operations was by no means guaranteed. The situation was even more alarming given that peacekeeping operations had a different financial period, from 1 July to 30 June, while most contributions for such operations were received in April and May. His delegation therefore reiterated that assessed contributions, particularly those for peacekeeping operations, should be paid in full and on time, in order to maintain international peace and security, promote development, foster respect for human rights and support humanitarian activities.

26. In accordance with the new foreign policy announced by President Alassane Ouattara, which called for Côte d'Ivoire to settle its arrears with all international organizations, his Government had paid its assessed contributions to the United Nations in full. In that connection, the Government had recently concluded an agreement with the United Nations Operation in Côte d'Ivoire (UNOCI) whereby it would provide the Operation with headquarters premises free of charge. Those actions not only demonstrated the commitment of Côte d'Ivoire to the purposes and principles of the Charter, but also heralded its return as an active member of the international community.

27. **Ms. Lee** (Singapore) said that the United Nations continued to operate in unsatisfactory financial conditions that were entirely avoidable. While some Member States faced genuine difficulties in paying their assessments, their contributions accounted for a small part of the budget. The real reason for the situation was late and non-payment by the major contributors, which could do much to put the Organization on a sound financial footing if they were to pay their assessed contributions in full, on time and without conditions.

28. Much also depended on how well the Organization managed its financial resources, particularly in view of the difficult global economic conditions. Member States had a right to demand their efficient and effective use; the Secretariat, in turn, must be accountable and deliver results. Rather than indulging in excessive spending at Headquarters, the international community should instead channel the Organization's resources to crisis-affected areas of the world.

29. Under the Charter, all Member States were obliged to pay their assessments in full, on time and without conditions. To demand more of the United Nations while continuing to withhold contributions only served to undermine Member States' commitment to the Organization. It was not enough for Member States proclaim their commitment to the United Nations; they must demonstrate their commitment through deeds.

30. **Mr. Cumberbatch** (Cuba) said that it was significant that the largest share of unpaid assessments was owed by a single Member State, one that also benefited from the greatest distortion in the methodology for calculating the scale of assessments.

Financial obligations should be met in full, on time and without conditions. Most States that had suffered a decline in their capacity to pay were the victims, not the cause, of the current economic crisis.

31. It was particularly striking that those Member States which used the crisis to justify arbitrary cuts in the budget were not at all concerned that extrabudgetary resources constituted nearly 60 per cent of the Secretariat's resources in the biennium 2010-2011, a proportion that was set to increase in the proposed programme budget for the biennium 2012-2013. Moreover, the principle of the responsibility to protect was being used to justify the expenditure of vast sums on the bombardment of civilians, while financial burdens, in the form of special political missions, were being transferred to Member States that opposed such interventionism and the budgets of programmes aimed at delivering social services and promoting sustainable development were being cut. The Organization's development pillar must be strengthened in the interests of peace and security.

32. Despite the challenges it faced as a developing country and as a victim of the economic crisis, Cuba maintained its commitment to multilateralism by actively participating in the United Nations and meeting its financial obligations. It had fully paid its assessments under the regular budget and the capital master plan and for the international tribunals, and made every effort to pay its assessed contributions for peacekeeping operations in a timely manner, despite the unjust and criminal economic, commercial and financial embargo imposed by the United States of America. Because it was unable to use the United States dollar or make direct transfers, its payments were subject to currency fluctuations and must be made through a third party. The embargo violated international legal norms and the United Nations Charter and was the principal obstacle to Cuba's sustainable development. The General Assembly's repeated calls for it to end had gone unheeded.

33. Lastly, he welcomed the establishment of the web portal enabling Member States to track the status of their contributions.

34. **Mr. Kim** Seo Jung (Republic of Korea) said that, although the overall financial situation of the United Nations had improved in 2011, his delegation was concerned by the regular and substantial increases in the budget of the past decade, a trend that could not be sustained in view of the financial difficulties facing Member States. It was therefore incumbent on the Organization to make every effort to fulfil its mandates in a more efficient and effective manner. His Government would do its utmost to pay its outstanding assessed contributions for peacekeeping operations as soon as possible and pay its assessed contribution for the regular budget on time.

35. **Mr. Pankin** (Russian Federation) said that, although the overall financial situation of the United Nations had improved in 2011, there were still several causes for concern. In that connection, his delegation noted that unpaid assessments were much higher than at the end of 2010 for all categories. That shortfall affected the cash reserves available to finance the Organization's operations. Recalling that the majority of unpaid assessments was concentrated with a few Member States, he said that the failure of those States to honour their financial obligations could have an adverse impact on the work of the United Nations. On the other hand, his delegation noted with pleasure that a greater number of States had met their financial obligations in full and on time in comparison with 2010.

36. Member States were assuming a financial burden at a time of unstable domestic economic conditions and therefore could and should expect the Secretariat to strive for rational financial planning and realistic forecasts of the human and financial resources needed to fulfil the mandates approved. The decrease in the Organization's debt to troop-contributing countries was positive, but it was too early to speak of a definitive solution to the problem of such debt. Only the payment of assessed contributions in full, on time and without conditions would enable the Organization to react credibly to challenges and threats and to undertake the projects and programmes entrusted to it by the Member States.

37. **Mr. Lieberman** (United States of America) said that his Government took its international obligations seriously and had made great effort to pay its assessed contributions in full and on time.

38. It was well known that the amount owed by his Government was distorted because it used a financial year that was different than that used by the United Nations. His country, which was the Organization's largest contributor, had made over $7.5 billion in assessed and voluntary contributions in 2010 across the

United Nations system. Since January 2011, his Government had paid over $2 billion in peacekeeping operations and international tribunal assessments and expected to pay its 2011 regular budget assessment in the coming months. To suggest that his Government was not meeting its financial obligations to the United Nations was therefore both wrong and absurd.

39. The United States remained committed to the United Nations and the vital role it played in maintaining international peace and security, providing development and humanitarian assistance and promoting human rights.

Agenda item 134: Proposed programme budget for the biennium 2012-2013 (*continued*)

Administrative expenses of the United Nations Joint Staff Pension Fund and transitional measures concerning the Fund's financial reporting under the International Public Sector Accounting Standards (A/66/7/Add.2 and A/66/266 and Corr.1; A/C.5/66/2)

40. **Ms. Nikoi** (Chair of the United Nations Joint Staff Pension Fund Board), introducing the report of the United Nations Joint Staff Pension Fund Board on the administrative expenses of the United Nations Joint Staff Pension Fund and transitional measures concerning the Fund's financial reporting under the International Public Sector Accounting Standards (A/66/266 and Corr.1), said that, with the exception of one ad hoc item recommending a transitional measure for reporting under the International Public Sector Accounting Standards (IPSAS) beginning 1 January 2012, the Board's report had covered only the Pension Fund's programme budget for 2010-2011 and its proposed programme budget for 2012-2013.

41. The Fund had experienced steady growth since its inception and unprecedented growth in the past 10 years in the number of persons to whom it provided services. At the same time, the Fund had been expanding its provisions not only to cover a greater number of individuals, but also to address a wider range of unique circumstances. The growth in the volume of the related work and the increasing complexities had coincided with a steady loss in institutional memory owing to a high number of retirements and other separations in recent years.

42. Although the market value of the Fund's assets had recovered from a low of $31.3 billion at the end of 2008 to $41.4 billion at the end of 2010, recent market trends had left that value at $38.1 billion as at 30 September 2011.

43. With regard to the Fund's budget, she said that the administrative expenses were separated into three main components: administrative, investment and audit costs. The current budget submission followed the results-based budgeting format adopted by the Fund in its submission for the biennium 2008-2009. Resources had therefore been requested in line with the Fund's programmes. In its resolution 65/249, the General Assembly had approved the redeployment of appropriations to meet the Fund's requirements for the biennium 2010-2011. The revised appropriation comprised administrative costs ($92,308,500), investment costs ($81,197,500), audit costs ($2,645,000) and Board expenses ($167,500). The amount chargeable directly to the Fund and the share of costs borne by the United Nations remained unchanged at $154,749,100 and $21,569,400, respectively.

44. The appropriation for that same period had been revised owing to an increase of $94,600 in general temporary assistance expenditure to cover the cost of one post at the P-4 level related to the implementation of IPSAS. That amount had been offset by a decrease in contractual services of $94,600. Total expenditure for the biennium 2010-2011 was estimated at $154,545,700, consisting of administrative costs ($80,478,500), investment costs ($71,289,000), audit costs ($2,532,900) and Board expenses ($245,300), and resulting in an underexpenditure of $21,772,800, or 12.3 per cent of the total appropriation. In addition, the projected expenditure of $144,300 for extrabudgetary costs would result in an underexpenditure of $13,900, or 8.8 per cent of the appropriation.

45. With regard to the proposed budget for the biennium 2012-2013, she noted that the administrative costs included all the services provided to and the activities carried out on behalf of the participants, retirees and other beneficiaries of the Fund. The investment costs, which were charged fully against the principal of the Fund, related to the activities of the Investment Management Division. The audit costs related to both internal and external auditing of the Fund's operations.

46. Responding to a request the Board had made at its previous session, the budget working group had

begun reviewing the proposed budget 90 days before the Board's 2011 session, thereby allowing sufficient time for a thorough review. Based on the proposal of its working group, the Board had approved the budget for 2012-2013 as set out in the report that was before the Committee. The proposed budget amounted to $194,164,000, comprising administrative costs ($98,407,600), investment costs ($92,938,200), audit costs ($2,613,800) and Board expenses ($204,400). Of that amount, $173,260,600 would be apportioned to the Pension Fund and $20,903,400 to the United Nations under the cost-sharing agreement, a decrease of $666,000 from the amount that had been allocated to the United Nations under the budget for the previous biennium. The Board had also approved extrabudgetary costs, to be funded by the member organizations, amounting to $156,800 for the after-service health insurance system.

47. The proposed budget fully reflected the priorities that had been outlined in the Fund's first strategic framework, as approved by the Board. The objectives, expected accomplishments, indicators of achievement and planned outputs for the forthcoming biennium were summarized in table 13. The priorities continued to be the new Integrated Pension Administration System (IPAS), implementation of IPSAS, providing responsive client services and improving operational efficiencies, risk evaluation and management, e-learning, training and knowledge management. Although the Board had not recommended the creation of a new post for Administration, it had recommended that the post of Budget Officer should be reclassified from P-3 to P-4 and had approved two additional general temporary assistance posts for client services in Operations. In addition, it had agreed on the continuation of one extrabudgetary post, to be funded by member organizations, for the after-service health insurance system.

48. The bulk of the requested funding for the Fund secretariat was related to the Integrated Pension Administration System. Detailed costs relating to hardware, software, contractual services and other costs required for the project, as well as 18 temporary posts, one of which had been abolished in 2011, had been approved in the budget for the biennium 2010-2011. With regard to investment costs, the Board recommended the creation of seven new posts and the funding of two additional general temporary assistance posts for the Investment Management Division. As in previous budget proposals, the Board was also requesting authorization to supplement contributions to the Emergency Fund for the biennium 2012-2013 by an amount not exceeding $200,000.

49. Recalling the Board's decision to adopt the IPSAS accounting rules beginning January 2012 and noting that the Fund utilized the Financial Regulations and Rules of the United Nations, she said that a transitional measure would need to be adopted on the financial rules that the Fund would follow until the Organization itself adopted IPSAS. The transitional measure recommended by the Board was included in section V.

50. **Mr. Berridge** (Acting Director, Programme Planning and Budget Division), introducing the report of the Secretary-General on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Fund Board (A/C.5/66/2), said that, according to the Board's report, the Organization's share of the administrative and audit costs related to the Joint Staff Pension Fund amounted to $20,903,400, of which $13,378,200 represented the share of the regular budget, while the balance of $7,525,200 represented the share of the funds and programmes.

51. A provision of $14,276,100 was already included under section 1 of the proposed programme budget for the biennium 2012-2013 to cover the share of the regular budget in the expenses of the Fund's central secretariat, excluding reimbursements anticipated from United Nations funds and programmes.

52. Should the General Assembly endorse the Board's proposals, the appropriation under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for the biennium 2012-2013 would reflect a reduction in the amount of $897,900.

53. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's related report (A/66/7/Add.2), said the Advisory Committee had been informed that the Fund's investments in emerging market equities had increased from 13 per cent as at 31 March 2010 to 15.5 per cent as at 31 August 2011. Recalling its previous recommendations in that regard, the Advisory Committee welcomed the progress achieved to increase diversification of the Fund's portfolio towards equities in emerging markets and

reiterated its position that decisions concerning the investments should be based on the four main criteria for investment, namely, safety, profitability, liquidity and convertibility.

54. The Advisory Committee did not object to the Board's recommendations in respect of the Fund's staffing for the biennium 2012-2013. The Committee was nevertheless concerned by the high number of vacant posts and the difficulties encountered by the Fund in recruiting candidates with the requisite specialized skills and experience.

55. With regard to non-post requirements, the Advisory Committee had been informed that, although implementation of IPAS was not expected to be concluded until the end of 2014, the total cost of the project of $22,660,300 had not increased. While recognizing the need to mitigate risk in the investments area and enhance service delivery, the Committee expected that, with the completion and anticipated benefits of the System, the requirements for resources would be reduced proportionately in future budget submissions.

56. The Advisory Committee concurred with the proposals of the Secretary-General concerning the appointment of members of the Investments Committee.

57. Lastly, recalling that the Fund intended to implement IPSAS in January 2012, he said that the Advisory Committee did not object to the Board's proposal that the Fund should be authorized to continue applying the Financial Regulations and Rules of the United Nations in a manner that allowed it to comply with IPSAS.

58. **Mr. Di Luca** (Argentina), speaking on behalf of the Group of 77 and China, said that the Group welcomed the progress the Fund had made to increase its investments in developing countries and countries with economies in transition. The Group looked forward to learning the outcome of recent research on market opportunities in Africa and the Middle East, emphasizing that investment should be based on the four main criteria for investment, namely, safety, profitability, liquidity and convertibility. The Group welcomed the improvements in the presentation of the Fund's proposed budget for the biennium 2012-2013, which had followed the results-based budgeting format, and encouraged the Board to make further improvements in that regard in future budget submissions.

59. The Group shared the Board's concern regarding the significant challenges facing the Fund in both the volume and the complexity of its work, resulting, on the one hand, from the increase in the population served and the longevity of its beneficiaries, and, on the other hand, the steady loss in institutional memory owing to a high number of retirements and other separations. It therefore encouraged the Fund to make every effort to fill all vacancies in a timely manner.

60. Lastly, the Group would welcome further information on a number of initiatives that the Fund was planning for the forthcoming biennium, including IPAS, implementation of IPSAS, providing responsive client services and improving operational efficiencies, risk evaluation and management, e-learning, training and knowledge management.

61. **Mr. Sach** (Representative of the Secretary-General for the Investments of the Fund) said that the Board welcomed the support of the Advisory Committee and the Group of 77 and China for its efforts to diversify the Fund's portfolio through the addition of emerging markets equities. The Fund believed that opportunities for good returns at appropriate risk levels were shifting from North America and Europe to other regions of the world. It was therefore important that the Fund should continue diversifying its portfolio in order to be able to meet its investment goals. The Investments Committee had met twice in recent years to discuss the question of diversification and would address that question once again at its forthcoming meeting in February 2012.

62. The drive towards diversification was part of a careful plan to pursue the best possible investment opportunities. With approximately 15 per cent of its investments in emerging markets, the Fund was slightly ahead of the recognized benchmarks, such as the Morgan Stanley Capital International World index. The Fund would continue to conduct the research and due diligence required to maintain a leading position in respect of equity investments and to update the Committee in that regard.

The meeting rose at 12.05 p.m.

United Nations A/C.5/66/SR.11

General Assembly
Sixty-sixth session

Official Records

Distr.: General
18 January 2012

Original: English

Fifth Committee

Summary record of the 11th meeting
Held at Headquarters, New York, on Friday, 21 October 2011, at 3 p.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

Contents

Agenda item 135: Programme planning (*continued*)

Agenda item 134: Proposed programme budget for the biennium 2012-2013 (*continued*)

Construction of additional office facilities at the United Nations Office at Nairobi

Progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa

Strategic heritage plan of the United Nations Office at Geneva

Feasibility study on the United Nations Headquarters accommodation needs 2014-2034

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

11-55842 (E)

Please recycle

The meeting was called to order at 3.10 p.m.

Agenda item 135: Programme planning (*continued*) (A/C.5/66/L.3)

Draft resolution A/C.5/66/L.3: Programme planning

1. *Draft resolution A/C.5/66/L.3 was adopted.*

Agenda item 134: Proposed programme budget for the biennium 2012-2013 (*continued*)

Construction of additional office facilities at the United Nations Office at Nairobi (A/66/7/Add.3 and A/66/336)

Progress in the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (A/66/7/Add.3 and A/66/351)

Strategic heritage plan of the United Nations Office at Geneva (A/66/7/Add.3 and A/66/279)

Feasibility study on the United Nations Headquarters accommodation needs 2014-2034 (A/66/7/Add.3 and A/66/349)

2. **Mr. Sach** (Assistant Secretary-General for Central Support Services) introduced the Secretary-General's reports on the construction of office facilities at the United Nations Office at Nairobi (A/66/336) and the Economic Commission for Africa (ECA) in Addis Ababa (A/66/351), the strategic heritage plan of the United Nations Office at Geneva (A/66/279) and United Nations Headquarters accommodation needs 2014-2034 (A/66/349).

3. The new office facility at Nairobi, begun in May 2009, had been substantially completed by December 2010 on schedule and on budget. Occupancy by the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat) had taken place between January and March 2011. By September 2011 the vacated office space had been redistributed to other United Nations agencies, funds and programmes.

4. At ECA the ongoing close collaboration with the host Government, combined with the accelerated work programme initiated in 2011, had had a positive impact. However, a local shortage of cement had pushed back the completion date to August 2012. Construction was over 30 per cent complete. Auxiliary projects and site works were being implemented in coordination with the overall construction schedule. Those projects had been prioritized to ensure functionality upon completion. The ECA project management team had been strengthened and was receiving hands-on support from Headquarters.

5. Initial errors in the cost estimates by the construction management consultant meant that some $734,000 out of a contingency provision of $925,186 would be encumbered. Every effort would be made to control costs through value engineering to stay within the available budget, but success was not guaranteed. The renovation of Africa Hall, being conducted by ECA in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the African Union, had been budgeted for and would be carried out as funding became available.

6. With regard to the strategic heritage plan at Geneva, the Office of Central Support Services had worked closely with the United Nations Office at Geneva to incorporate best practices based on experience with the capital master plan. Key performance objectives relating to optimization of facilities, compliance with regulatory codes, reduction of energy consumption, upgrading information and communication facilities and ensuring business and operational continuity had been established.

7. Three options: a five-year fast-track option, an eight-year medium-term implementation option, and a long-term implementation option over 13 years, had been considered, taking into account the swing space required. The eight-year option was recommended, as having the lowest cost while being the least disruptive and meeting all the key performance objectives. Projected costs were in the order of CHF 618 million.

8. The next steps would include recruitment of a project management team at a cost of $1,164,600 for the biennium 2012-2013, and the hiring of a programme management firm at a cost of $2.8 million for the biennium. The Government of Switzerland, subject to approval by parliament, would contribute CHF 50 million for renovation measures at the Palais des Nations that would result in energy savings.

9. In response to the request of the General Assembly for a long-term strategy for office accommodation at Headquarters, including the feasibility of a building on the North Lawn, a feasibility study on Headquarters accommodation needs from 2014 to 2034 had been conducted, taking

into account architectural, security and host city issues. The study, carried out by an international architectural consultancy firm, had been overseen by a steering committee of senior officials from across the Organization, with the objective of providing high-level guidance and ensuring that all key aspects were validated by senior management. The alternatives considered included constructing a new building on the North Lawn, buying an existing building off campus, constructing a new building off campus, or leasing space off campus.

10. In that connection the State of New York had granted the United Nations Development Corporation approval to construct a new office building, designated UNDC-5, on the park at the south-east corner of 42nd Street and First Avenue. The agreement of local community boards would be required. Notwithstanding press reports that the United Nations would proceed with the project, he wished to stress that the Secretariat had not made any such commitment and that the parties concerned were well aware of the need for authorization by the General Assembly.

11. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/7/Add.3), said that the Advisory Committee welcomed the completion on time and within budget of the new office facility at Nairobi. For the purpose of drawing lessons, the Advisory Committee was requesting the Secretary-General to conduct a post-completion review of the project.

12. The Advisory Committee noted the delays in the project at ECA, and welcomed the support provided by the host Government in addressing the cause of the delays. It encouraged continued close collaboration to address any other issues in a timely manner; the Office of Central Support Services should continue to provide ECA with support and guidance in project management and technical matters.

13. Regarding the strategic heritage plan for the United Nations Office at Geneva, the Advisory Committee had taken note of the deterioration of the Palais and recommended that the Secretary-General should be authorized to proceed with a detailed implementation plan and cost analysis based on the medium-term eight-year option, as offering the lowest costs while meeting all requirements. The preparation of such a plan would be without prejudice to any decisions by the General Assembly.

14. With respect to long-term accommodation needs at Headquarters, in the light of the emergence of a possible option for a new building on First Avenue, south of 42nd Street, the Advisory Committee recommended reassessment of the preferred option of a new building on the North Lawn taking into account the possibility of a lease-to-own arrangement with the United Nations Development Corporation. A detailed analysis of the costs, benefits and risks of each option and of the underlying assumptions for office space should be presented to the General Assembly no later than the second part of the resumed sixty-sixth session.

15. **Ms. Melon** (Argentina), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to proper management of the Organization's property portfolio and of any construction undertaken by the Organization.

16. The Group thus welcomed the completion of construction of additional facilities at the United Nations Office at Nairobi in advance of schedule and within budget as a clear demonstration of the benefits of proper project management. Prior to the adoption of General Assembly resolution 63/263 the project had faced seemingly insurmountable difficulties, and it was only after the Assembly's intervention in 2008 that United Nations Headquarters had taken on an enhanced role in coordinating and supporting overseas property management and construction projects. In addition, dedicated project management capacity had been established to manage construction. The result was the delivery of the project well within schedule and budget.

17. The Group also welcomed the progress made in the construction of additional office facilities at ECA, and, in particular, the cooperation with the host country authorities that had resulted in proactive action to ensure that bottlenecks were dealt with expeditiously. She noted that, pursuant to General Assembly resolution 65/259, ECA, in collaboration with UNESCO and the African Union, was renovating Africa Hall. It was the expectation of the Group that the exercise would proceed expeditiously.

18. The Group of 77 and China would actively study the findings and proposals in the report on the strategic heritage plan for the United Nations Office at Geneva

(A/66/279), containing the results of the conceptual engineering and architectural study.

19. The Group reaffirmed its long-standing position that the architectural integrity of the United Nations complex in New York must be preserved. Any proposal to accommodate Headquarters needs must be in line with the original design. The Group would examine the various proposals before the Committee in the light of those considerations, taking into account the observations and recommendations of the Advisory Committee.

20. **Mr. Coffi** (Côte d'Ivoire), speaking on behalf of the Group of African States, noted the importance of proper maintenance and rehabilitation of all the Organization's facilities worldwide. He welcomed completion of the additional office facilities at Nairobi. He also welcomed the renovation of the facilities at ECA, including of Africa Hall, which should take full account of the historical aspects of the Hall. The Group intended to request information regarding security, parking, and discrepancies between the architectural design and actual construction. Lastly, the Group would seek further details of the strategic heritage plan for Geneva and of Headquarters accommodation needs in informal consultations.

21. **Mr. Dettling** (Switzerland), speaking also on behalf of Liechtenstein, said that the Palais des Nations in Geneva was a historical monument dating back to the League of Nations. It was the cradle of multilateralism and its archives embodied the memory of the international community, whose responsibility it was to respect that unique heritage.

22. For the United Nations to be strong and able to implement its mandates it was essential for Member States to provide it with safe and effective operational infrastructures. The capital master plan met that requirement at Headquarters in New York, and the strategic heritage plan, which offered incontrovertible benefits, would do the same for the European headquarters of the United Nations in Geneva.

23. Renovation would allow reorganization of the premises and free up enough space to accommodate an additional 700 staff and thus consolidate a number of services in the Palais, with a consequent saving in real estate leases. It would make it possible to ensure compliance with local and international building standards for fire prevention, security, health and accessibility. Modernization of the facilities would also reduce energy consumption by 25 per cent. Lastly, complete renovation would halt the steady rise in maintenance costs.

24. The increasing maintenance problems meant that the United Nations Office at Geneva might soon no longer be able to provide its users with functional facilities. The current, purely reactive, approach would ultimately be more costly than renovation. There was an urgent need for action: construction work should begin as soon as work on the capital master plan at Headquarters in New York had been completed.

25. The two delegations agreed that the medium-term implementation option over eight years was the most cost-effective, and welcomed the endorsement of that view by the Advisory Committee. The medium-term option would make it possible to achieve the objectives of the project while maintaining the functional and operational continuity of the Organization. In order for the planning and preparation stage to proceed without delay, it was essential for the necessary funds to be allocated in the budget for the biennium 2012-2013.

26. The commitment of the Member States was the key to preserving the United Nations Office at Geneva as a centre of multilateral diplomacy. As host State, his Government fully supported the project, and had made a voluntary contribution of CHF 50 million, subject to parliamentary approval, for energy-saving measures. He urged other Member States to support the project.

27. **Mr. Hassan** (Ethiopia) welcomed the progress made in the construction of additional office facilities at ECA. As a result of the close collaboration between ECA and the host Government and the accelerated programme of work put in place by the contractor, 30 per cent of the construction work had been completed.

28. The Government of Ethiopia and the Addis Ababa city administration had taken a number of measures to support the project in a continuation of the long-standing commitment to ECA. In particular, the issue of timely delivery of construction materials was being adequately addressed. His Government would continue to provide its full support to expedite completion of the project on schedule.

29. He commended ECA, in cooperation with UNESCO and the African Union, on its renovation of Africa Hall. He trusted that renovation of the Hall

would make it a modern conference facility, incorporating exhibition and museum spaces.

30. He noted with appreciation that the new building in Nairobi had been fully occupied by March 2011, well within schedule and budget.

31. **Mr. Sach** (Assistant Secretary-General for Central Support Services) said that he would address the issues raised concerning Addis Ababa in informal consultations. The Secretariat would work on the basis of the Advisory Committee's very acceptable recommendations.

The meeting rose at 4.05 p.m.

United Nations A/C.5/66/SR.12

General Assembly
Sixty-sixth session

Official Records

Distr.: General
9 January 2012

Original: English

Fifth Committee

Summary record of the 12th meeting
Held at Headquarters, New York, on Monday, 24 October 2011, at 10 a.m.

Chair: Mr. Tommo Monthe ..... (Cameroon)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

Contents

Agenda item 141: United Nations common system

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

11-56115 (E)

Please recycle

The meeting was called to order at 10.05 a.m.

Agenda item 141: United Nations common system
(A/66/7/Add.4, A/66/30 and Corr.2 and A/66/394)

1. **Mr. Rhodes** (Chairman of the International Civil Service Commission (ICSC), introducing the Commission's report for 2011 (A/66/30 and Corr.2), said that ICSC, recognizing the particularly harsh effect of current economic realities on Member States, had continued to focus on innovation and collaborative methods in finding new ways to solve problems, while ensuring at the same time that the solutions identified would serve all stakeholders. Although its efforts to find equitable solutions for staff were being severely tested at present, as a result of developments outside its control, the Commission continued to seek to develop competitive conditions of service, without which an effective international civil service could not be built or maintained. At the same time, it recognized the need to do more with less and had been relentless in pursuit of that goal. At the opening of the Commission's seventy-third session in July 2011, he had stressed that ICSC, bearing in mind the present harsh economic realities, should consider all options to fulfil its multiple mandates from Member States. Recognizing that business as usual was no longer an option, the Commission had embraced current uncertainties as an opportunity to become more flexible and creative. In that connection, although the United Nations organizations had so far remained able to recruit competent staff because of the intangible benefits they offered, such as unique missions, a special vision, and the satisfaction of working to build a better world, in the future they might find themselves struggling to compete for a first-rate workforce capable of carrying out the mandates of Member States unless they continued to offer competitive conditions of service, including conditions valued by today's workforce such as learning opportunities, career development, recognition and reward programmes, and appropriate measures for dealing with conditions of life in difficult duty stations. All the recommendations in the report were based on technical assessments, with the overriding goal of supporting an effective international civil service.

2. Annex IV to the report contained an updated performance management framework developed pursuant to General Assembly resolution 63/251. The framework differed from previous approaches since the Commission had found that an organizational culture which kept staff members engaged and motivated was preferable to a system operating without such a focus. There was a direct link between engaged, motivated staff and organizational effectiveness. Bearing in mind that the values espoused by senior management were at the heart of an organization's culture, Member States should urge executive heads to adopt the values embedded in the updated framework and give a high priority to performance management and the implementation of the framework within their organizations.

3. The Commission had continued to monitor the margin between the net remuneration of United Nations staff in the Professional and higher categories in New York and their counterparts in the comparator civil service, taking into account all developments relating to net salaries on both sides for the calendar year 2011, including the freeze on United Nations salaries in New York from August 2008 to August 2011 and the pay freeze in the comparator civil service for the biennium from 1 January 2011 to 31 December 2012. For the period from 1 January to 31 December 2011, the margin was estimated at 114.9, close to the desirable mid-point of the margin range of 110 to 120 established by General Assembly resolution 40/244, while the average margin level for the past five years (2007-2011) amounted to 114.1. Despite the pay freeze implemented by the comparator, a slight change in the United States federal tax rate schedule, personal exemptions and standard deductions, had resulted in a net increase of 0.13 per cent in the reference comparator pay level for 2011 over the 2010 level. Consequently, the Commission recommended an increase of 0.13 per cent in the base/floor salary scale, applied in accordance with the standard consolidation procedure. In response to a request from the United Nations Secretariat to address a surplus that had accumulated in the Tax Equalization Fund, requiring a 15 per cent reduction in the Fund's revenue, the Commission also recommended a revision of staff assessment rates, which would be reviewed every three years.

4. The Commission had successfully completed its review of the salary survey methodologies for the General Service and related categories and, with the full participation of the organization's staff federations, had established two methodologies, which would come into effect as of January 2012. Methodology 1 would be

applied to the eight headquarters duty stations in the common system and to six other duty stations deemed to have labour markets similar to the headquarters locations, while methodology II would be applied to all other duty stations. The report contained details of all modifications to the methodology, including the Commission's decision, pursuant to General Assembly resolution 64/231, that higher consideration should be given to the national civil service among the retained employers.

5. ICSC had promulgated a revised rest and recuperation framework for staff in non-family and hardship duty stations, pursuant to General Assembly resolution 65/248, and had established unified special operations living allowance rates for the transitional period.

6. The Commission had also considered a request from the Chief Executives Board for Coordination (CEB) to amend, as of the school year in progress on 1 January 2012, the current minimum eligibility age for receipt of an education grant from 5 years to a lower age when the laws at specific locations required an earlier start of formal education, and had found that the additional cost to the system would be minimal, given the limited number of children so affected.

7. Lastly, the Commission had decided to discontinue hazard pay and to replace it with the concept of "danger pay", which was based on new criteria, as set out in annex II to the report. That decision would result in estimated annual savings of some $19 million, owing to a reduction in the number of eligible duty stations under the new criteria.

8. **Mr. Berridge** (Acting Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of ICSC for 2011 (A/66/394), said that financial implications would arise from the Commission's recommendations on the mobility, hardship and non-removal allowances; danger pay; implementation of the 2010 place-to-place survey results; and the base/floor salary scale and staff assessment rates, as summarized in tables 1 to 3 of the statement.

9. For the biennium 2010-2011, additional requirements of $15,200 for the United Nations would be addressed in the context of the performance report. For the biennium 2012-2013, reduced requirements of $3,275,400 for the proposed programme budget of the United Nations and additional requirements of $217,000 and $15,000 for the proposed budget of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia, respectively, would be reflected in the corresponding proposed budget estimates for that biennium prior to determination of the appropriations to be adopted by the General Assembly in December 2011. With regard to peacekeeping operations and the support account, reduced net requirements of $2,473,400 for the financial period from 1 July 2011 to 30 June 2012 would be reported in the related performance reports, while reduced net requirements of $5,275,800 for the subsequent financial period would be taken into account in the context of the proposed budgets.

10. The financial impact arising from the reduction in staff assessment rates would be reflected in the proposed budget estimates of the United Nations, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2012-2013 prior to determination of the appropriations to be adopted by the General Assembly in December 2011. With regard to peacekeeping operations and the support account, the financial impact arising from the reduction in staff assessment rates would be reported in the context of the related performance reports for the financial period from 1 July 2011 to 30 June 2012 and reflected in the cost estimates of the proposed budgets for the period from 1 July 2012 to 30 June 2013.

11. **Mr. Kelapile** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/66/7/Add.4), said that the Advisory Committee had confined its consideration of the financial implications of recommendations contained in the ICSC report (A/66/30 and Corr.2) to those submitted to the General Assembly by the Secretary-General in his statement (A/66/394). Should the General Assembly approve the Commission's recommendations, the Advisory Committee had no objection to the course of action proposed by the Secretary-General in paragraph 33 of his statement.

12. **Mr. Pace** (President of the Federation of International Civil Servants' Associations (FICSA)) said that the staff represented by FICSA objected to

being repeatedly asked to do more with less. Most United Nations common system organizations had already been cutting costs for some years, against a backdrop of increasing demands on staff. Although the current crisis was serious, it should not be used again and again to justify measures that would permanently diminish the essence and effectiveness of the international civil service. The growth of staff salaries and allowances had been seriously contained over the last decade by a number of ICSC decisions. Furthermore, national austerity measures were already having an impact, with the salaries of Professional staff effectively frozen owing to the two-year freeze imposed on the comparator civil service and those of General Service staff directly affected by local economic realities. Recently approved changes in methodologies would further intensify the impact. While some Member States were calling on ICSC to revoke the cost-of-living adjustment recently granted in New York, FICSA trusted that the Commission's independence would be respected and the legitimacy of the increase would not be questioned; otherwise, immediate litigation would doubtless ensue.

13. Recalling that FICSA had already expressed its regret at the decision taken by the General Assembly at its sixty-fifth session to revise and reduce allowances for staff in the specialized agencies, funds and programmes serving in non-family duty stations, and had warned that the implementation of the scheme could lead to legal challenges, he noted that one application had already been submitted to the United Nations Dispute Tribunal to appeal the new allowance and more were likely to be filed. Furthermore, in 2011, the methodologies used to adjust salaries or allowances, including those for mobility and hardship, had been modified or applied in an extremely conservative fashion. FICSA called for clear, coherent and consistently applied methodologies when developing and implementing adjustments to entitlements.

14. With regard to the proposed additional reductions to rest and recuperation provisions, FICSA stressed that the issue under consideration was not simply a matter of adjusting an entitlement, but that the end of the special operations approach had left staff in difficult field duty stations in limbo. The rest and recuperation policy must consider the options of sending staff back to their permanent place of residence, as was done in most national systems, or sending them to another location and paying the daily subsistence allowance. FICSA urged the Committee not to accept the recommendation to amend the period of authorized absence on rest and recuperation from five consecutive working days to five consecutive calendar days, plus approved travel time.

15. Bearing in mind the importance of equity between international and locally recruited staff with regard to danger pay, FICSA requested that the anticipated savings from applying the new scheme should be used to increase the level of danger pay and improve the scheme applied to locally recruited staff. FICSA restated its request for the area staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to be granted danger pay, and reiterated its disappointment at the considerable reduction in the number of duty stations eligible for such pay under the new criteria, which were far too restrictive.

16. Little had changed since 2008, when the global staff survey conducted by the secretariat of the Commission had indicated that staff members who sought to leave the United Nations did so in part owing to a lack of opportunities for growth and development. In that connection, administrations should work closely with staff and managers to develop acceptable reward systems. FICSA supported the present system of annual pensionable increments and believed that rewards should be additional, fully funded, stable and focused on teamwork.

17. While FICSA took note of the ICSC decision not to proceed to phase II of the Noblemaire study, it believed that some elements identified in phase I would have justified a more comprehensive study. The time available until the next study should be used to review the methodology of the Noblemaire comparison, in order to ensure that United Nations conditions of employment were as competitive as possible. The current methodology was clearly prone to political interference and incapable of producing an objective outcome.

18. FICSA was alarmed at the exponential growth in the use of non-staff personnel throughout the organizations; according to a recent consultant's report, 106,000 staff members had fixed-term and continuing contracts, while 86,000 personnel worked on non-staff contracts. That situation gave rise to a number of issues, such as the need for non-staff access to the

justice system; skewed geographical distribution; little monitoring or accountability at the field level; the absence of social benefits; differences in the employer/employee relationship; and the greater risk of the independence of the international civil service becoming compromised. The responsibilities of the United Nations organizations towards non-staff personnel should be better defined and improved, especially in the context of emerging security situations.

19. **Mr. Zargouni** (President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)) said that, while CCISUA welcomed the progress made in the level and quality of staff-management relations in the United Nations Secretariat, with the recent establishment of the Staff-Management Committee, it was frustrated that it had been given so little time to relay to Member States the concerns and issues that affected many thousands of staff.

20. CCISUA was disappointed that many of the Commission's decisions seemed to be based on preconceived ideas regarding how to undertake the deepest budget cuts, and that it had followed a "pragmatic approach", rather than clear, coherent, objective methodologies or the goal of achieving the best operational results. Furthermore, the Commission had not been open to suggestions from the organizations or staff representatives. Consequently, a number of questionable decisions were now before the Committee for consideration.

21. While CCISUA recognized the difficulties faced by Member States in the current financial crisis, it was concerned that some measures with a major impact on conditions of service were reducing the capacity of the United Nations to attract and retain staff with the highest standards of efficiency, competence and integrity. The reduction of incentives for service in the field, at a time of expectations of increased staff mobility, was a particular concern.

22. CCISUA opposed the decoupling of the mobility and hardship allowances from the base/floor salary scale and strongly criticized the lack of transparency and objectivity in the Commission's decision. It also regretted the significant reduction in the number of duty stations covered by danger pay and the fact that the impact of the new criteria had never been fully clarified. However, it welcomed the fact that danger pay would be regularly payable to qualifying locally recruited staff, who represented a majority of the casualties in attacks against the United Nations. Decisions relating to the determination of non-family duty stations were a serious concern, because of the lack of consideration of health and adverse living conditions. CCISUA also stressed that the criteria for danger pay were very subjective. As the United Nations moved away from a "when to leave" to a "how to stay" mindset, the allowance should be provided to all those who were directly targeted just because they worked for the United Nations.

23. With regard to rest and recuperation, CCISUA had expressed concerns at the proposed revision of the framework from five consecutive working days to five consecutive calendar days. The ICSC decision had been taken without any open debate and did not result in cost savings. Furthermore, CCISUA considered the potential inclusion of staff members' weekends in the period of authorized absence for rest and recuperation to be illegal and intended to challenge the decision if implemented. With regard to the implications of the end of the special operations approach, the loss of the administrative place of assignment approach would result in differential treatment of staff according to their nationality. Consequently, the rest and recuperation policy should consider the options of sending staff back to their permanent place of residence or sending them to another location and paying the daily subsistence allowance. CCISUA supported the frequencies of periodic breaks as currently applied. It also supported the higher-frequency rest and recuperation arrangements for the most exceptional circumstances.

24. CCISUA was concerned at the lack of participation by staff in the review of pensionable remuneration. It also stressed that the United Nations Joint Staff Pension Fund was not comparable with the pension fund of the comparator civil service since United Nations staff did not have the equivalent of Social Security benefits in addition to a civil service pension. The time had come to detach the pension benefit from the comparison and to consider other defined-benefit schemes within and outside the United States.

25. CCISUA was pleased that the ICSC report had referred to the importance of creating a motivational working environment. In that connection, performance management; fair and transparent recruitment and

selection systems; and robust and dialogue-driven career development mechanisms were all part of the equation. While new ways of motivating staff and rewarding performance were to be welcomed, such rewards should not replace existing mechanisms. In particular, the current system of annual increments based on satisfactory performance should remain in place.

26. With regard to the Noblemaire principle, CCISUA reiterated the need to ensure that a full comparison was made with the national civil service and that recognition was given to the additional elements of hardship and mobility faced by United Nations staff, who did not benefit from the support of a national system. The current situation in relation to the base salary was frustrating, particularly the fact that a full study under the Noblemaire principle had not been conducted for at least 15 years.

27. CCISUA considered that some of the recommendations emerging from the Advisory Committee on Post Adjustment Questions (ACPAQ) in the last two years might depress salaries or constitute a departure from the Fleming principle. At the most recent ACPAQ meeting, CCISUA had raised several issues regarding the methodology used for the post adjustment system, especially the weight of out-of-area expenditures and the methodology and sources of rent data.

28. CCISUA reiterated its disagreement with the harmonization of conditions of service in non-family duty stations. In particular, the marked decrease in benefits for single staff members — those most likely to be able to work in difficult non-family duty stations — discouraged even their mobility.

29. **Mr. Suárez Salvia** (Argentina), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed its support for ICSC and stressed that staff across the common system serving under similar conditions should receive equal treatment. Member States had a responsibility to provide staff with a decent remuneration package, including enough incentives and allowances for them to be able to perform their work efficiently and effectively amidst ongoing challenges. The Group therefore supported the Commission's recommendation regarding the adjustment of the current base/floor salary scale for staff in the Professional and higher categories; the proposed 2.5 per cent increase in the hardship, mobility and non-removal allowances; danger pay; the implementation of the 2010 place-to-place survey results; and the approved changes to the hardship reclassification system. The General Assembly should appropriate adequate resources for the full and immediate implementation of the Commission's proposals.

30. The Group welcomed the survey and report on diversity in the United Nations common system and stood ready to discuss how to formulate more suitable recruitment policies to promote such diversity.

31. **Mr. Kanamori** (Japan) said that his delegation would like to know why the level of additional non-family hardship element was to be adjusted so soon after its introduction and why it continued to be pegged to the corresponding hardship allowance level, bearing in mind that the additional element had only been introduced in July 2011 and its effectiveness in compensating financial and psychological hardship for staff in non-family duty stations had yet to be studied.

32. While his delegation supported the decision to establish danger pay for internationally recruited staff, as the new scheme placed a greater focus on the imminent threat to staff and their activities, he would like to know whether that allowance would be paid to staff for time away from the duty station during periods of rest and recuperation. While some Commission members had argued that such payments would motivate staff to use their rest and recuperation, his delegation believed that that was not the purpose of the new allowance and that the question of how to ensure and facilitate the effective use of rest and recuperation periods should be considered separately.

33. He welcomed the Commission's decision to study recruitment policies with a view to fostering greater diversity within the United Nations common system and looked forward to receiving comprehensive and concrete recommendations on how to improve the geographical diversity of staff in all common system organizations.

34. **Mr. Torsella** (United States of America) said that his delegation, which strongly supported the work of ICSC, welcomed the progress made to date in implementing harmonized conditions of service in non-family duty stations and expected the Commission to continue to monitor the situation closely.

35. With regard to the survey methodology for General Service staff, his delegation was concerned that the current practice of monetizing the value of some benefits provided by survey employers, and then including such values in the base salaries, inflated the amounts actually paid, as well as unnecessarily increasing the benefits provided to General Service staff that were computed based on their salary levels. His delegation was disappointed that the Commission had delayed making a decision on that issue and requested that it should be placed on its programme of work for 2012-2013.

36. The Commission's recent action, in August 2011, to approve an increase of nearly 3 per cent in the New York post adjustment index did not comply with the Noblemaire principle, since it was clearly not in line with the practice of the comparator. United States federal employees were currently subject to a pay freeze that affected both their base salary and locality pay. While the salary freeze was reflected in the base salaries of international Professional staff at the United Nations, the post adjustment, which was analogous to locality pay, had been increased. Such action was neither appropriate nor necessary; furthermore, the cost for the Organization was not trivial. The decision undermined the Secretary-General's call for belt-tightening throughout the United Nations system and should be reversed. The New York post adjustment index should be immediately restored to the level applicable in July 2011 and the net remuneration for international Professional staff in New York should be remain at that level until the locality pay freeze for United States federal employees had been lifted. His delegation recognized that a pay freeze in the comparator was an extraordinary circumstance that the existing post adjustment system was not well-equipped to handle; it therefore requested ICSC to consider the changes to the system needed to prevent similar situations in the future. It was also concerned that a measure with such far-reaching implications had not been brought before the Commission's full membership for a decision and asked for that practice to be changed in the future.

37. **Mr. Rhodes** (Chairman of the International Civil Service Commission) said that the important questions raised by delegations required detailed explanations that he would be happy to provide during informal consultations.

38. The most recent study conducted to determine the highest-paid national civil service under the Noblemaire principle had shown no compelling reason to change the comparator at the current time. With regard to the capacity of the post adjustment system to handle extraordinary circumstances, it should be recalled that General Assembly resolution 40/244, approving the range of 110 to 120, with a desirable mid-point of 115, for the net remuneration margin, had been adopted in the 1980s, at a time of very high inflation in the United States and significant increases in post adjustment, as well as other developments relating to the operation of the system in Geneva. The August 2011 increase in the post adjustment had been granted under the normal operation of the system, on the basis that the desirable mid-point margin of 115 would not be breached and bearing in mind the five-year average of 114.1. The Commission had also considered the evolution of emoluments in both the United Nations and the United States federal civil service with a view to ensuring that the margin did not rise above 120 in future years, and had taken into account the fact that the pay freeze in the United States federal civil service would be reflected in United Nations net remuneration for 2012 and 2013. Although the Commission took note of developments in the comparator civil service for margin comparisons, the United Nations, as an international organization, was not tied in lockstep with United States remuneration; in previous years, for example, no increase in United Nations remuneration had been warranted or granted despite increases in the comparator figure. Furthermore, it would be very difficult to maintain the margin at exactly 115, given that the United States federal civil service used the employment cost index and other factors for escalation, whereas the escalator used by the United Nations for updating the New York post adjustment index was the consumer price index for all urban consumers: United States city average. The post adjustment for other duty stations was calculated on the basis of inflation rates in the relevant host country. For that and other reasons, post adjustment in the United Nations was not analogous to United States locality pay.

39. The issue of the monetization of benefits provided by survey employers was on the Commission's programme of work, given that it related to General Service salaries in the field, where a diversity of practices had been identified. In some cases, benefits were monetized because the base salary

was lower than the allowances paid to staff members, either as a matter of policy or owing to the tax situation in a particular jurisdiction.

40. Lastly, with regard to the 2.5 per cent increase in the mobility/hardship scheme, the Commission had decided that the same percentage should be applied to the additional non-family hardship element for staff serving in non family duty stations in order to avoid creating an excessively complex system. It was deemed more straightforward to maintain the existing linkage between that additional element and the hardship/mobility scheme, rather than creating a second allowance.

The meeting rose at 11.40 a.m.